

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency

P.O. Box 2415

Washington, DC 20013-2415

Notice FC-50

**For:** State and County Offices

**Counsel With Delinquent Farm Credit Borrowers on Use of Payments To Be Made  
Under the Agricultural Market Transition Act (AMTA) Program**

**Approved by:** Acting Deputy Administrator, Farm Credit Programs



**1 Overview**

**A**

**Background**

Some producers that are delinquent on their Farm Credit Program loans have been receiving payments from other FSA programs. FmHA Instruction 1951-C, Section 1951.103 (B) requires a Farm Credit Program borrower's account to be accelerated before any offset of payments to be received by the borrower.

This regulation is in the process of being amended to provide authority to take an administrative offset of the AMTA payment on severely delinquent farm credit accounts that have not been accelerated and processed through FmHA Instruction 1951-C. The regulations should be revised by the September 1996 to offset the AMTA program payment if necessary.

**B**

**Purpose**

This notice sets forth an interim process whereby delinquent borrowers must be contacted before their AMTA payment is issued and reminded of their responsibility to pay their loan obligations. This should be a time of credit counseling and farm planning to assist the borrower in determining the best use of the AMTA payment.

**Disposal Date**

May 1, 1997

**Distribution**

State Offices; State Offices relay to County  
Offices and Ag Credit Teams

## Notice FC-50

### 2 Actions

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#### A Administrative Offsets

When the loans of Farm Credit Program borrowers are accelerated, the responsible loan servicing officials will take action according to FmHA Instruction 1951-C to initiate administrative offsets of all Federal payments.

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#### B Notifying Borrowers of Payments

The delinquent borrowers should be notified immediately of their payments that are due. This should be done according to FmHA Instruction 1951-A, paragraph 1951.7(c).

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#### C Credit Counseling

Credit counseling for delinquent FSA farm credit borrowers will be performed as follows.

- All delinquent borrowers enrolled in the AMTA Program must receive credit counseling by the appropriate FSA official before issuing the AMTA payments. Credit counseling must be performed immediately, and the issuance of the AMTA payments must not be delayed.
  - As part of credit counseling, the following should be discussed:
    - debt management practices needed to ensure financial success
    - importance of resolving the delinquency
    - plans for repaying the FSA loan delinquency as well as other creditors
    - use of the AMTA payments to assist in resolving the delinquency
    - voluntary assignments on the AMTA payments to be used as debt repayment on FSA loans.
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#### D Questions

Contact the Area Office for questions about this notice.

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